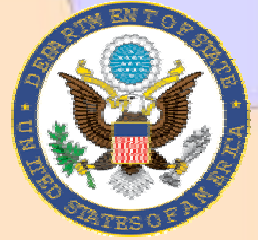


19 January 2005



Iraq Weekly Status Report

UNCLASSIFIED

DEPARTMENT
OF
STATE



Table of Contents

D
E
P
A
R
T
M
E
N
T

O
F

S
T
A
T
E

SECTION	SLIDE(S)
<u>Highlights</u>	3
<u>1.0 Neutralize the Insurgents</u>	5
<u>2.0 Ensure Legitimate Elections</u>	6
<u>3.0 Create Jobs and Provide Essential Services</u>	11
<u>4.0 Establish Foundations for a Strong Economy</u>	19
<u>5.0 Establish Good Governance, Rule of Law</u>	26
<u>6.0 Maintain International Engagement & Support</u>	27
<u>7.0 General Information</u>	29



Highlights

DEPARTMENT OF STATE

2.0 Ensure Legitimate Elections

- ï Out of Country voting registration began on January 17 in 14 countries.
- ï Elections-related security measures have been announced, including the closing of borders, restriction of movement between provinces, and extended nighttime curfews for the period of time surrounding elections.
- ï Voter registration in Kirkuk has been extended. KDP and PUK have agreed to fully participate.
- ï 7,785 candidates representing 111 entities including political parties, coalitions, and individual candidates are on the ballot for the 275-seat National Assembly.
- ï 18,900 candidates are registered to compete in the national, provincial and Kurdistan regional elections.

3.0 Create Jobs and Provide Essential Services

- ï The fuel situation is tenuous, particularly in Baghdad, but improved slightly this week. The Ministry is rebuilding stocks, while also trying to generate as much electrical power as possible. The hours of power national average was 8.5 hours last week. Fuel shortages due to pipeline interdictions and insecure trucking routes continue to plague the electricity sector; at the end of the week, 388 MW were offline due to lack of fuel.



Highlights

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4.0 Establish Foundations for a Strong Economy

- ï The Iraqi Interim National Council approved the Iraqi Interim Government's 2005 National Budget without amendment on January 12, concluding the final step in the 2005 budget process.

5.0 Establish Good Governance, Rule of Law

- ï A refugee agency is conducting a survey of some 4,500 people to assess the needs and intentions of the displaced persons of Fallujah.

6.0 Maintain International Engagement and Support

- ï Egypt hosted the first consultative meeting of the follow-up mechanism decided on at the first Sharm el-Sheikh conference last November. Participants reiterated the importance of supporting elections in Iraq.



[1.0] Neutralize the Insurgents ñ Iraqi Security Forces Update

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<u>Iraqi Security Forces</u>	<u>Trained/On Hand</u>	<u>Required</u>
Police	55,059	135,000
Civil Intervention Force	2,862	4,920
Emergency Response Unit	205	270
Border Enforcement	14,786	28,360
Highway Patrol	354	6,300
Bureau of Dignitary Protection	484	500
Army	7,598	24,425
National Guard	36,827	61,904
Intervention Force	5,884	6,360
Special Operations Force	674	1,967
Air Force	145	453
Navy*	495	582
Total	*125,373	*271,041

† The military forces continue to receive advanced unit training.

† *The Iraqi Coastal Defense Force has been renamed the Iraqi Navy



[2.0] Ensure Legitimate Elections ñ **Developments**

Election Planning continues:

- ï IECI announced that the total number of voting centers will be 5,220 and the number of total voting stations 29,084.
- ï 7,785 candidates representing 111 entities including political parties, coalitions, and individual candidates are on the ballot for the 275-seat National Assembly.
- ï 18,900 candidates are registered to compete in the national, provincial and Kurdistan regional elections.
- ï The International Organization for Migration (IOM) began voter registration for Out of Country Voting (OCV) on January 17 in all 14 countries that have agreed to host OCV. A total of 18,104 expatriate Iraqis registered on the first day of registration.
- ï The exhibition and challenge period for voter lists will now begin on January 20 as opposed to the previously scheduled January 15 start date.
- ï IECI will allow Iraqis in the Anbar and Ninewa provinces to register to vote on election day at any voting center within their respective provinces.
- ï Internally Displaced Persons (IDPs) from Anbar province will be allowed to vote in Baghdad.



[2.0] Ensure Legitimate Elections ñ **Developments**

Elections Monitoring:

- ï IECI has begun to process applications for elections monitors.
- ï The International Mission for Iraqi Elections (IMIE) was established on December 20, 2004, as a result of the Iraq Election Monitoring Forum (Ottawa, December 18ñ20, 2004). Comprised mainly of independent electoral management bodies, the IMIE is focusing on the election process in Iraq, as well as the registration and voting process outside Iraq.
- ï US-supported training continues for 8,000 domestic elections monitors.

Look Ahead: Transitional National Assembly (TNA):

- ï Once elected, the TNA will:
 - Serve as Iraq's national legislature until the election of a new government under a permanent constitution.
 - Name a Presidency Council, consisting of a president and two deputy presidents, that will appoint a prime minister. The Prime Minister and his Council of Ministers must receive a vote of confidence in the Assembly by a simple majority.
 - Draft Iraq's new Constitution which will be presented to the Iraqi people for their approval in a national referendum by October 15, 2005.



[2.0] Ensure Legitimate Elections ñ **Developments**

Public Affairs

- ï A voter education push featuring television commercials, print ads, and posters produced by IECI and NGOs is focusing on explaining the process, encouraging participation, and recruiting polling staff.
- ï IECI is setting up a media operations center to facilitate coverage of elections.
- ï Al Mada Newspaper in Baghdad released survey results indicating that two-thirds of eligible voters in Baghdad plan to vote on January 30.
- ï Egyptís Grand Sheikh Mohammed Sayed Tantawi, an internationally revered Sunni leader, called on all Iraqis to vote in the January 30 elections.

Capacity Building:

- ï Supported by USAID, the Civic Coalition for Free Elections (CCFE), a non-partisan movement of 76 civic organizations from across Iraq, is continuing to educate Iraqis about the upcoming elections through television messages, and organizing town hall meetings and political debates.



[2.0] Ensure Legitimate Elections ñ **Out of Country Voting**

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Registration began January 17 and will continue through January 23.

Voting will take place from January 28 ñ 30.

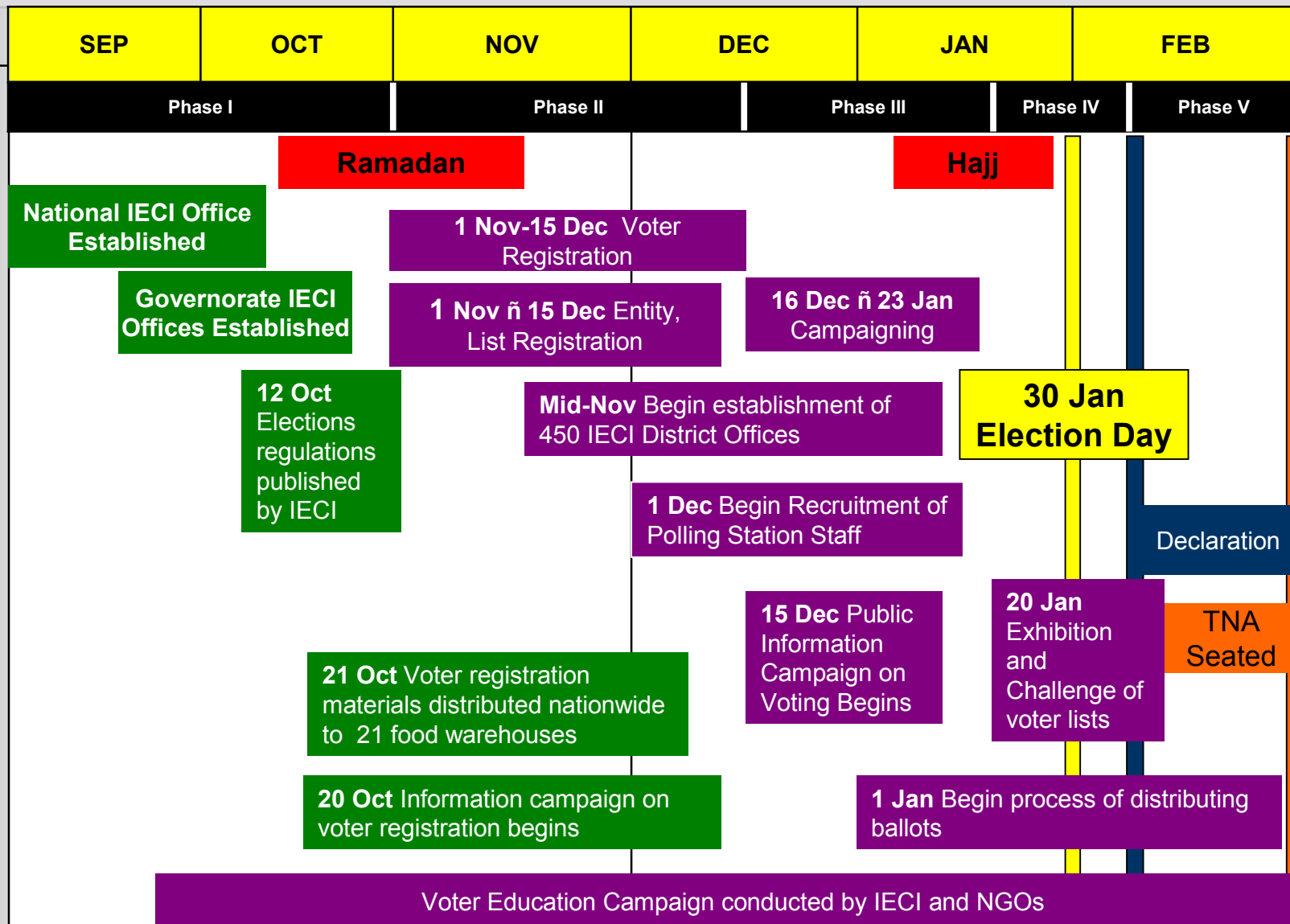
United States:

- ï Polling center locations in Detroit, Chicago, Los Angeles, Nashville, & Washington, DC.
- ï Estimated 230,000 eligible voters in the United States.
- ï Voter Eligibility ñ according to CPA Order 96 ñ a person must:
 - ñ be deemed an Iraqi citizen, or
 - ñ be entitled to reclaim Iraqi citizenship,
 - ñ or be eligible for Iraqi citizenship (be born to an Iraqi father);and:
 - ñ have been born on or before December 31, 1986; and
 - ñ be registered to vote according to procedures issued by the IECl.
- ï Out of Country voting information, including a certified list of political entities and independent candidates, can be found at www.iraqocv.org.



[2.0] Ensure Legitimate Elections ñ Iraq Elections Timeline

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[3.0] Create Jobs and Provide Essential Services ñ **Economy**

Oil Update:

- ĩ Crude Oil prices in world markets for the week ending January 14 closed with Kirkuk Crude at \$38.10/barrel, Basra Light at \$35.20/barrel, and the OPEC basket at \$40.45/barrel.

Employment Update:

- ĩ Number of Iraqis employed by USG-administered projects in each sector

Employing Organization	Iraqis last week	Iraqis this week	% Increase on week
PCO (Project and Contracting Office)	19,263	17,076	-11.4%
USAID	56,734	44,612	-21.4%
AIRP (Accelerated Iraqi Reconstruction Program)	9,066	6,900	-23.9%
MILCON (Military Construction)	675	678	0.4%
CERP (Commanders' Emergency Response Program)	12,173	18,190	49.4%
MNSTC-I	6,202	7,271	17.2%
IRRF NON-CONSTRUCTION	17,404	14,035	-19.4%
GRAND TOTAL	121,517	108,762	-10.5%



[3.0] Create Jobs and Provide Essential Services ñ **Water and Sanitation**

Water and Wastewater Treatment Plants:

- ï USAID projects to rehabilitate water and wastewater plants in Salah Din Governorate are approximately 60 percent complete. Once finished, the wastewater treatment plant will serve a rural town of 60,000 residents and the water plant will produce approximately 3.8 million gallons per day of potable drinking water.
- ï Last month, engineers completed work on the rehabilitation of a wastewater treatment plant in Diwaniyah, a major city in Al Qadisiyah Governorate. This plant was designed to treat raw sewage from 80,000 users, or about 20 percent of the flow from the city sewers.
 - ñ Final inspections on the plant were completed last month. Temporarily, the plant is operating at 50 percent of capacity to help save fuel in the midst of a nationwide diesel fuel shortage. When this shortage is resolved, the plant will resume processing flows at full capacity.
- ï Construction is moving forward on a sewage trunk line in large, poor districts of eastern Baghdad. When complete, this project will divert sewage that often collects in the street to a functioning sewage system.
 - ñ Recently, workers continued to install the gravity line, with approximately 110 meters installed in the last week. The project employs 85 Iraqis and is expected to be complete by the end of 2005.



[3.0] Create Jobs and Provide Essential Services ñ Food Security and Health Care

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Public Distribution System (PDS):

- ï The Ministry of Trade will meet 100 percent of its January requirements for all of the commodities in the food basket except rice. Current estimates indicate that Iraq will meet 65 percent of its rice requirements this month.

Health Care:

- ï Currently, there are 87 Public Health Centers (PHC) under construction, and there were no new starts this week.
- ï There are currently 17 hospitals under renovation.
- ï The Final Conceptual Design at the Ministry was conducted on January 13. There will be a meeting in Amman, Jordan with Project Hope this week to work on the donation of equipment for the hospital.
- ï Work continues on the Basrah Childrenís Hospital which is designed to be a referral center for acute care and to serve the health care needs of Iraqi children in the southern region of the country.
 - ñ Initially, the hospital design will provide for a building of about 15,400 square meters and will accommodate 50 in-patient beds, and may be expanded to 200 beds in the future.



[3.0] Create Jobs and Provide Essential Servicesñ Education

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USAIDís Higher Education and Development (HEAD) Program:

- ï Under a USAID grant, Jackson State University, in partnership with the University of Mosul (UM), the University of Dohuk (UD), and the Dohuk Technical Institute (DTI) College of Nursing completed the following projects:
 - ñ A 240-seat medical auditorium furnished and equipped at UM.
 - ñ Laboratory and office equipment procured for UM; included sophisticated medical equipment (not all equipment have been delivered and installed).
 - ñ The delivery of textbooks, journals, teaching materials provided for seven libraries and 14 departments at UM, UD and DTI (more shipments still to arrive).



[3.0] Create Jobs and Provide Essential Services ñ Telecommunications

- ï Total number of telephone subscribers in Iraq is now over 2,449,139 (including 982,561 landline subscribers 1,466,578 cell phone subscribers) ñ 181 percent above pre-war levels.

Cell Phone Subscribers

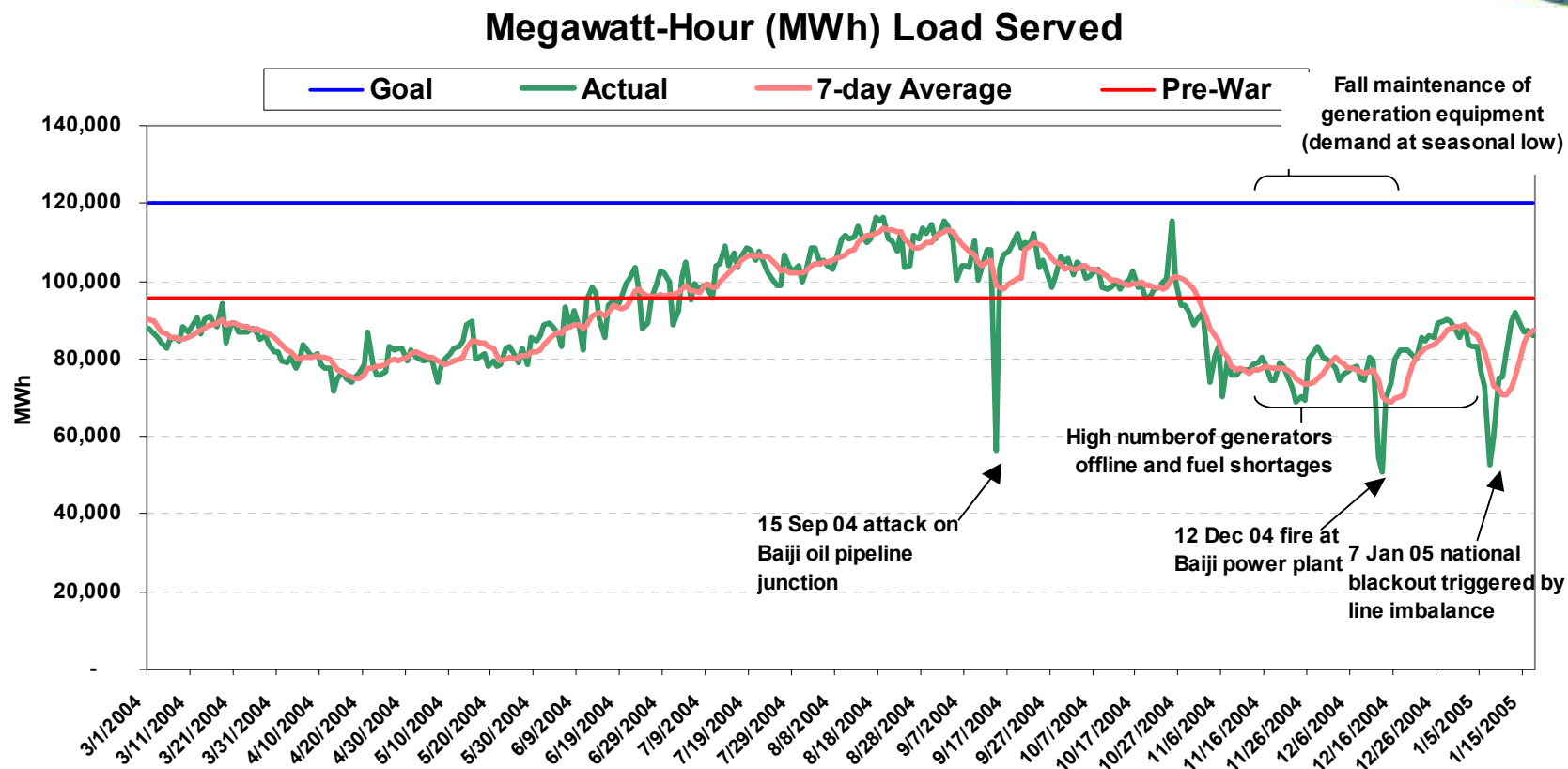
As of January 10, 2005

Region	Eligible Subscribers*	Cell phone users	Penetration
North	4,147,300	620,072	14.95%
South Central ñ Baghdad	6,677,000	589,376	8.83%
South	4,501,000	257,131	5.71%
	TOTAL:	1,466,578	

**Source: IRMO Office of Communications as reported by cell phone companies
Iraqi Central Statistical Organization 1997 Census, (assuming 3 percent annual growth)*

- ï As of January 10, there are 124,293 active Internet subscribers for the state-owned Internet company. These statistics do not reflect the large number of unregulated users of Internet cafes.

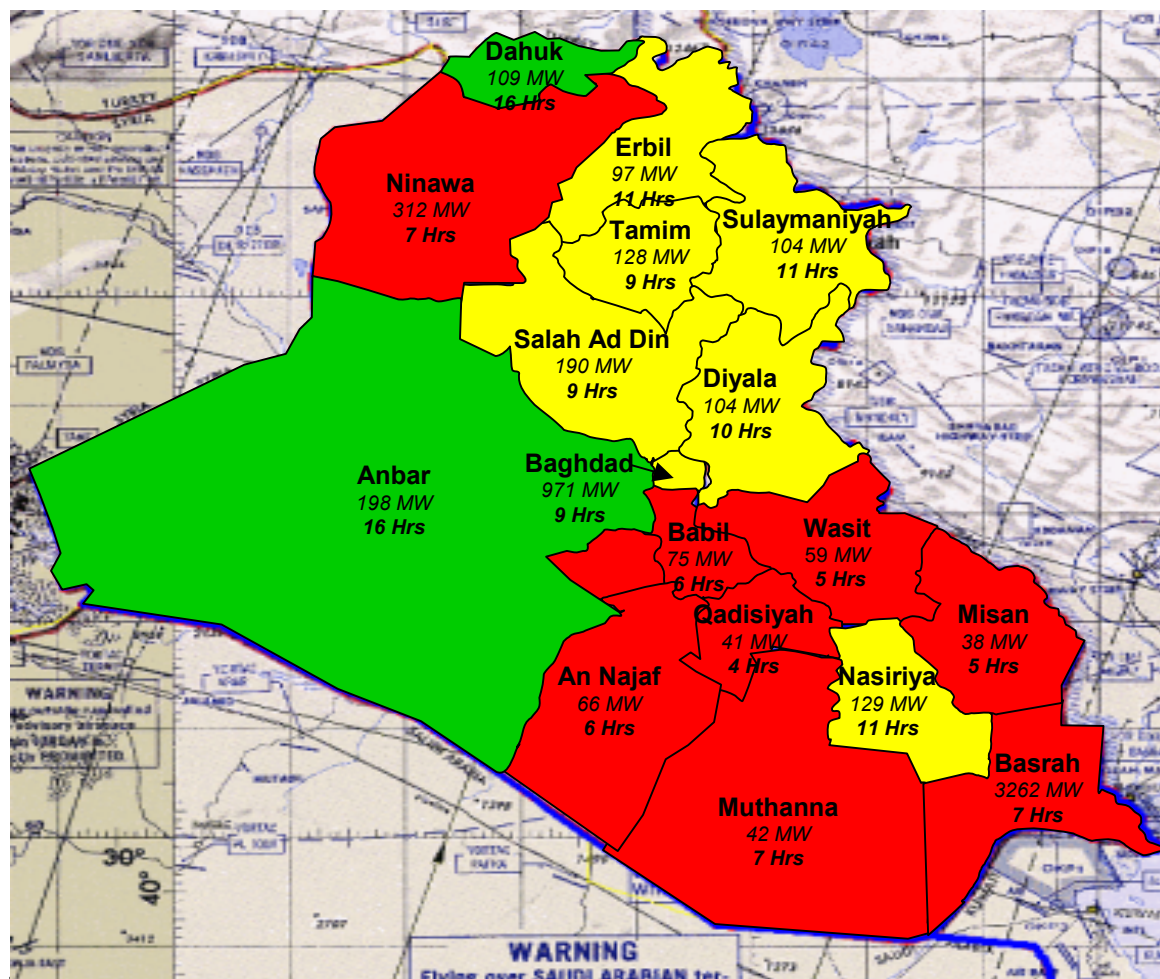
[3.0] Create Jobs and Provide Essential Services ñ Electricity Overview



- ï The 7-day national average of load served (Jan 10 ñ Jan 16): 86,049 MWh.
- ï Fuel shortages (due to pipeline interdictions and insecure trucking routes) continues to be a problem, but the situation has slightly improved since last week.
- ï Unplanned outages at the end of the week totaled 1117 MW. Outages due to maintenance were 740 MW.



[3.0] Create Jobs and Provide Essential Services ñ **Hours of Power**



AVERAGE HOURS PER DAY OF ELECTRICITY IN EACH GOVERNORATE FOR THE 7-DAY PERIOD

> 8 Hrs = Red

9 to 15 Hrs = Amber

16 Hrs = Green

No Report = White

IRAQ National Average:
8.5 Hrs/Day

Average Electrical Power Distribution per Governorate Jan 8 ñ 14



[4.0] Establish Foundations for a Strong Economy

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Iraqi Interim National Council (INC) Approves Budget:

- ï The INC approved the Iraqi Interim Government's 2005 National Budget without amendment on January 12, thus concluding the final state in the 2005 budget process.
- ï The budget authorizes NID 35,981 billion (\$23.99 billion) in total expenditures, including NID 1,941.8 billion (\$1.33 billion) for the Ministry of Defense and NID 1,182.6 billion (\$810 million) for the Ministry of Interior.
- ï Total revenue is estimated at NID 28,959 billion (\$19.31 billion) of which 88 percent comes from crude oil exports.
- ï The fiscal deficit of NID 6832.8 billion (\$4.68) billion is within an acceptable range with respect to the terms of the IIG's Emergency Post-Conflict Agreement (EPCA) with the International Monetary Fund.



[4.0] Establish Foundations for a Strong Economy

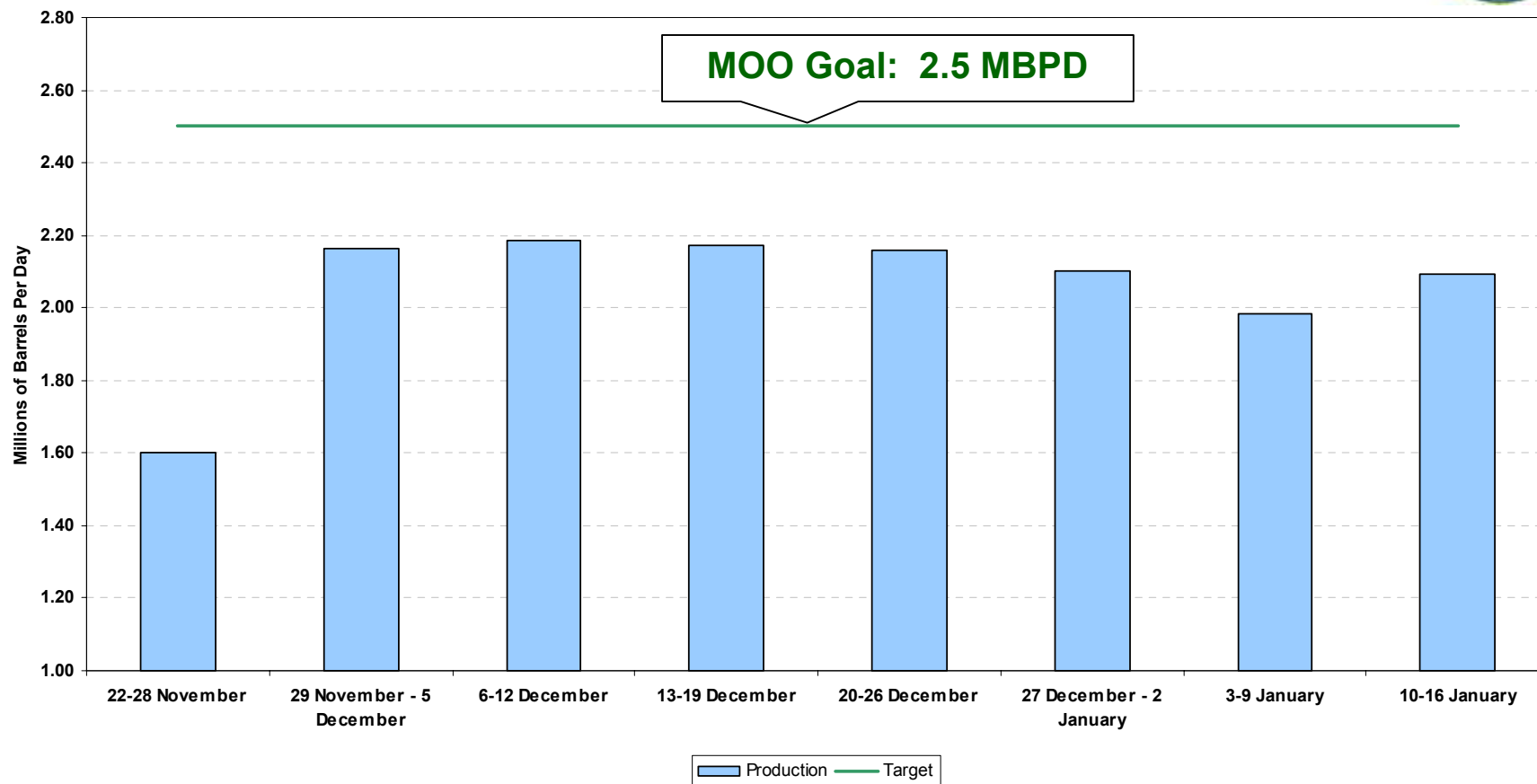
Iraq Currency and Securities Exchanges:

- ï At the New Iraqi Dinar (NID) auction on January 18, the settlement price was 1,460 dinars per USD with a total of 15 banks trading. The following table shows the purchase value of the top five banks:

Bank Name	Quantity Sold (in thousands of dollars)	Percentage of Total Auction
Al-Warkaa Bank	7,000	33.16%
United Bank	3,000	14.21%
Iraq Bank	1,880	8.91%
Agriculture Bank	1,510	7.15%
Middle East Bank	1,430	6.77%
Total	14,820	70.20%

- ï On January 12, the Iraqi Stock Exchange (ISX) traded a total of 159,065,883 shares with a value of NID 1,001,929,875 (\$686,253) in 390 trades.
 - ñ The most active trading was in the Banking Sector with a total of four banks trading 69,784,013 shares, for a total value of NID 418,143,478 (\$286,400).
 - ñ The second most active trading was in the Industrial Sector with a total of 10 companies trading 50,487,676 shares for a total value of NID 237,881,546 (\$162,933).

[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Production



ï Weekly Average (Jan 10 - 16) of 2.09 MBPD

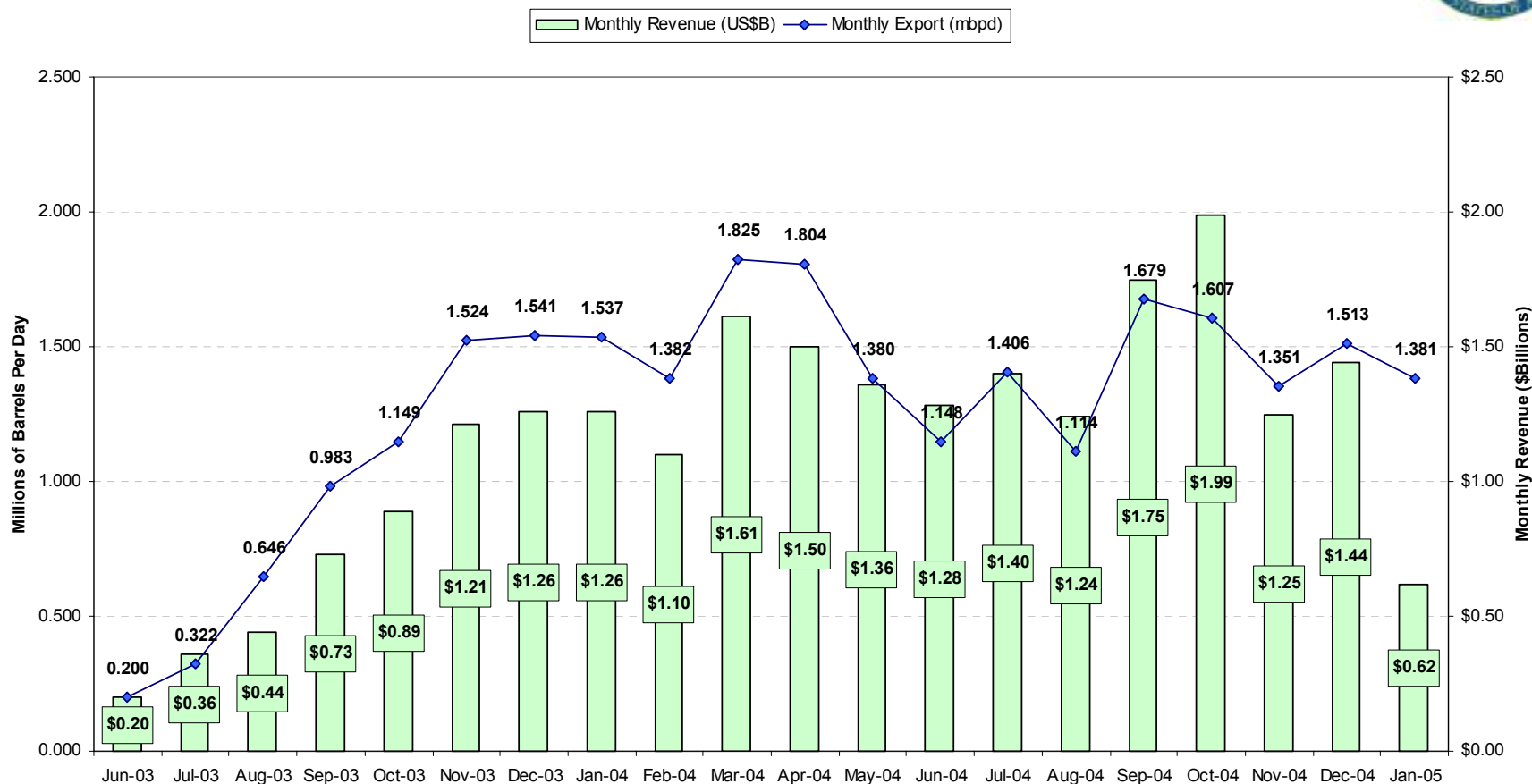
ï Pre-War Peak: 2.5 MBPD in Mar 03

ï Post-War Peak: 2.67 MBPD

[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Export



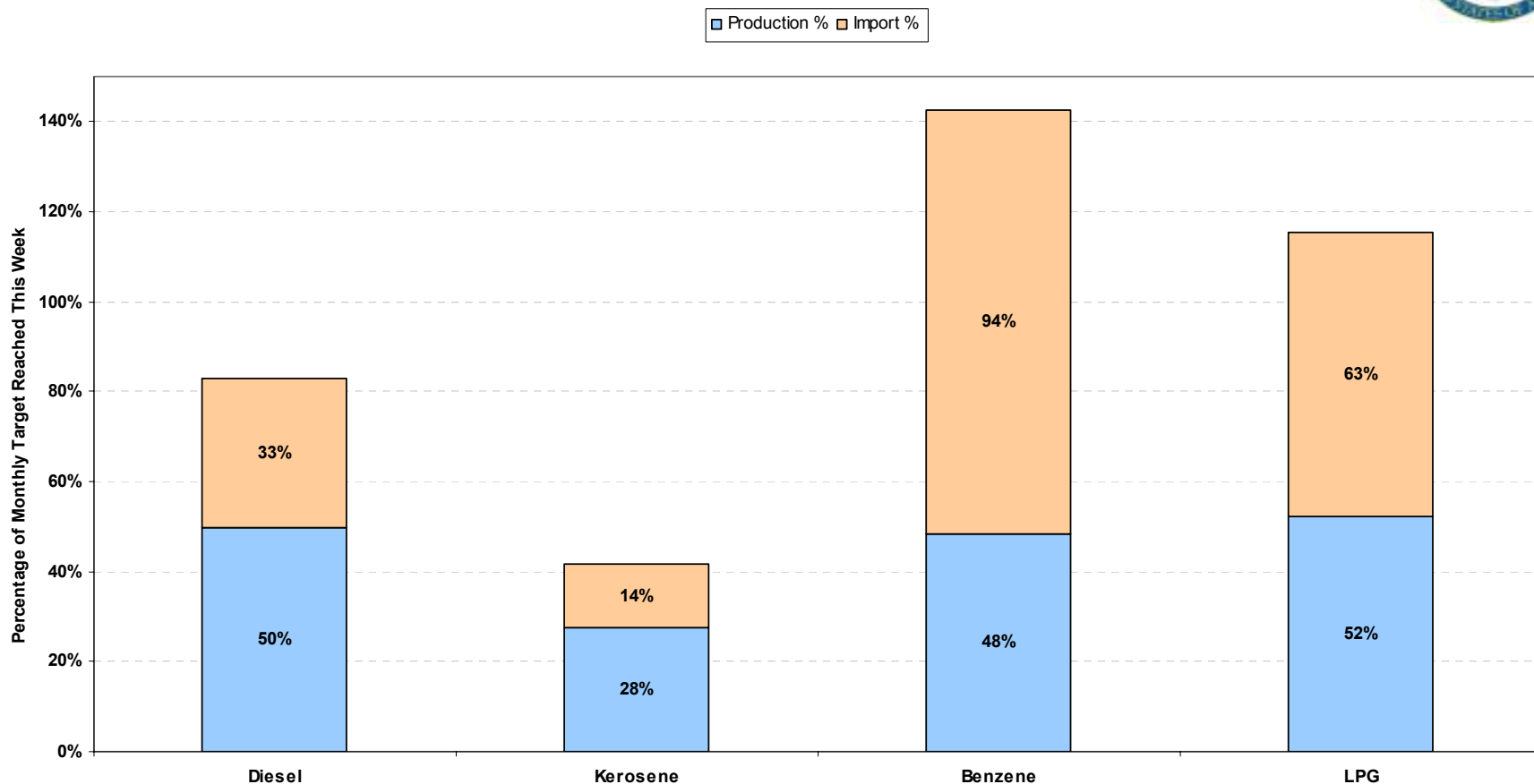
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Ĩ 2003 Revenue: **\$5,076.6M**
 Ĩ 2004 Revenue: **\$17,012.3M**
 Ĩ 2005 Revenue: **\$622.7M**



[4.0] Establish Foundations for a Strong Economy ñ Refined Products



Note: This chart represents the percentage of target reached for the week of Jan 10 - 16

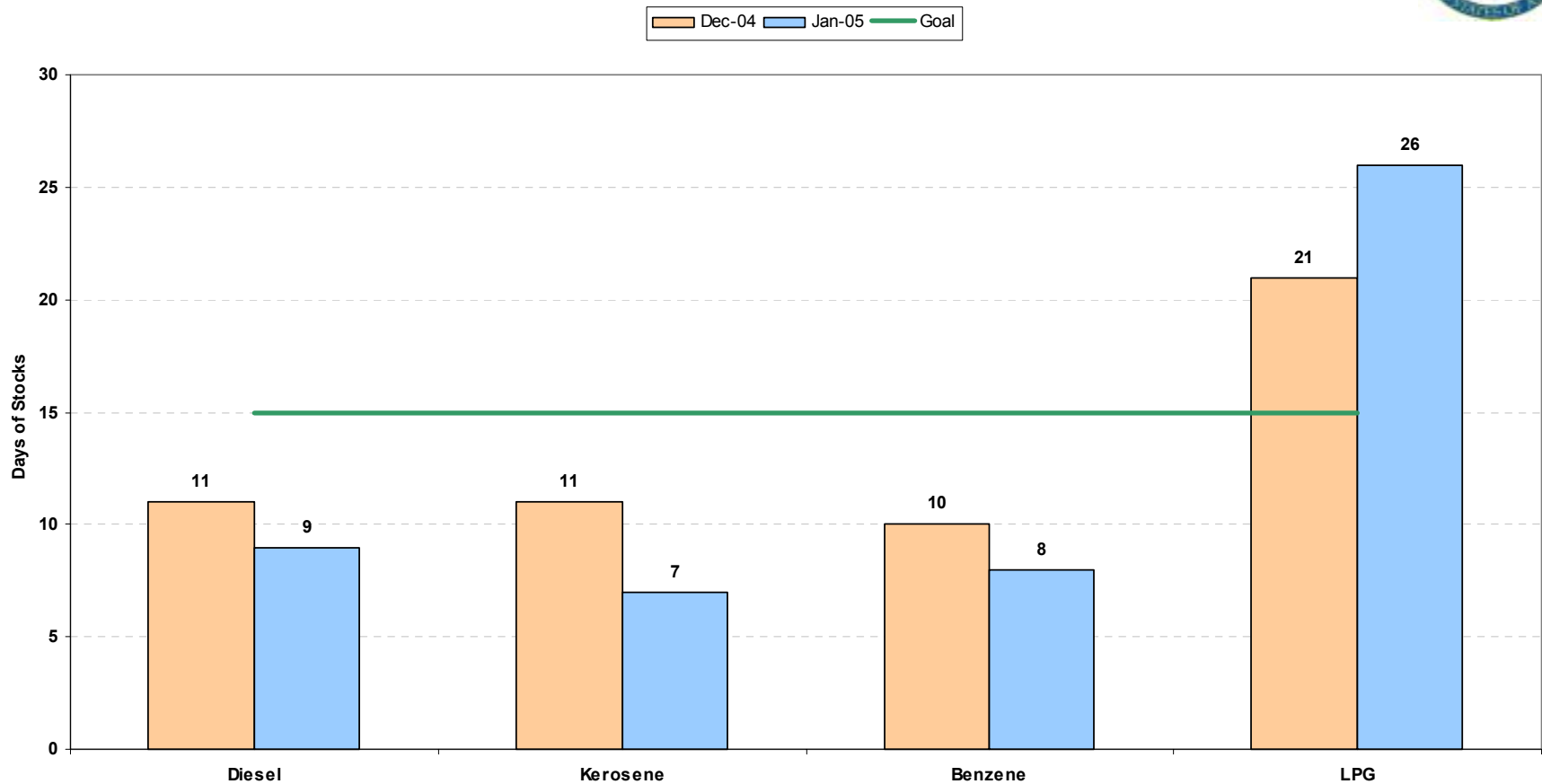
ï Diesel: 14.5 ML of 17.5 ML

ï Kerosene: 8.1 ML of 19.5 ML

ï Benzene: 25.7 ML of 18 ML

ï LPG: 4,967 tons of 4,300 tons

[4.0] Establish Foundations for a Strong Economy ñ National Stock Levels



ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.

ï Sabotage of feeder lines to refineries is lowering production and impacting national stock levels.

[4.0] Establish Foundations for a Strong Economy ñ IRRF I & II Financials



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Financial Status-IRRF I & II			Committed		Obligated		Disbursed	
Sector	2207 Report	Apportion	Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5045	5045	4438	4427	3264	3356	1208	1322
Electricity Sector	4350	3627	3319	3318	2677	2676	618	631
Oil Infrastructure	1701	1701	1397	1396	941	939	123	131
Justice, Public Safety, and Civil Society	1121	1120	878	922	600	595	132	140
-Democracy	832	832	696	696	606	606	191	191
Education, Refugees, Human Rights, Governance	379	379	179	180	171	171	43	44
Roads, Bridges, and Construction	359	355	285	286	182	183	33	35
Health Care	786	786	710	758	476	506	27	28
Transportation and Communications	499	512	467	466	323	323	27	29
Water Resources and Sanitation	2311	1373	1283	1294	886	885	35	36
Private Sector Development	843	843	402	402	327	328	70	70
Admin Expense (USAID, State)	213	29	29	29	29	29	29	29
IRRF II SUBTOTAL	18439	16602	14082	14174	10482	10598	2536	2687
CONSTRUCTION	11306	9440	8555	8583	6380	6417	1307	1367
NON-CONSTRUCTION	6301	6330	4831	4895	3496	3575	1038	1131
DEMOCRACY	832	832	696	696	606	606	191	191
IRFF I SUBTOTAL	2475	2475	2475	2475	2475	2475	1907	1907
GRAND TOTAL IRRF I & II	20914	19077	16557	16649	12957	13073	4443	4594

No data received from OPIC or USIP this week
Changes driven by actions on obligations



[5.0] Establish Good Governance, Rule of Law ñ Refugees, Democracy and Human Rights

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Surveying Internally Displaced Persons (IDPs) of Fallujah

ï With the assistance of a NGO, a refugee agency is conducting a survey of some 4,500 people to assess the needs and intentions of the displaced persons of Fallujah. Many of the IDPs say that they intend to stay in their current locations to see what will happen after elections scheduled for January 30. Initial results indicate that some 17 percent of families in the surveyed group have purchased land in their new place of residence.

UNHCR (United Nations High Commissioner for Refugees) Continues Work in Iraq

ï UNHCR continues to work on strengthening the capacity of local communities to reintegrate refugees, by running shelter-building programs, water projects and income-generating initiatives.

Tax Office Renovations

ï LGP specialists continued supervision on the renovation of the Basrah Tax Office. Work is expected to be completed by the end of January. The renovated office will provide enhanced workspace and offices for 139 employees.

Local Governance Program (LGP)

ï LGP will begin working with officials from the Basrah Treasury Department to help establish software modules used to implement FMIS. The software training will include instruction on expenditures, journal voucher entries, and account reconciliation.



[6.0] Maintain Int'l Engagement & Support ñ **Developments**

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E
P
A
R
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M
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N
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O
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S
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A
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E

- ï Egypt hosted a consultative meeting to follow-up on the first Sharm el-Sheikh conference November 23. Participants reiterated the importance of supporting elections in Iraq and adhering to the previous communiqué.
- ï 14 countries hosted the beginning of Out of Country voting as the registration process initiated on January 17.
- ï France has offered to train up to 1500 Iraqi gendarmes over a period of 18 months.
- ï Albania, Australia, Bangladesh, Canada, Ghana, Yemen, Panama, Mexico, Indonesia, and the UK have all agreed to send election monitors to Iraq with the International Mission for Iraqi Elections (IMIE).



[6.0] Maintain Int'l Engagement & Support ñ Stability Contributors

28

Countries with forces in Iraq (in addition to US)

Albania	El Salvador	Latvia	Poland
Armenia	Estonia	Lithuania	Portugal
Australia	Georgia	Macedonia	Romania
Azerbaijan	Italy	Moldova	Slovakia
Bulgaria	Japan	Mongolia	Thailand
Czech Rep	Kazakhstan	Netherlands	Ukraine
Denmark	Korea	Norway	UK

TOTAL ~ 25,300 Forces

*Note: Fiji participating as a part of the UN mission in Iraq

29 Countries and NATO

(including US)

Support Iraqi Stability Operations

Iraq Weekly Status ñ General Information

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- ï This brief draws from multiple sources. References are cited on the respective pages in the ìNotes Pageî section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov